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Letter From Francis Mairs Huntington-Wilson to William Howard Taft, February 22, 1910

Francis Mairs Huntington-Wilson

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Private file -



It is only regrettable that we have not made of this means of
February 22, 1910.

Dear Mr. President:

The policy of your administration, in keeping pace with the
normal evolution of the United States as a world power, to carry
on our diplomacy not by specialization in one quarter of the world

at the expense of another but by endeavoring to carry on our foreign
relations on broad lines with a view to the greatest practical ad-
vancement of the national interests in the international field, has
inevitably involved more widespread activities. These activities, in
turn, have begot a helpful increase of public interest in foreign
affairs. This is particularly gratifying when one reflects that the
home market will ultimately be entirely inadequate for the American
manufacturer and producer, and for that reason it would be suicidal
not to be provident enough to make the effort to build for the future
facts of recent history, but upon a syllogism in which the actual facts
and now to gain a foot hold in what must be our future markets. This
task falls to our diplomacy.

The increase of public interest in diplomacy has been somewhat
sudden, and the scholarly, painstaking, patient and patriotic discus-
sion of foreign affairs is a task new to a large section of our press.
The press of the older countries, where foreign relations have always
been matters of vital interest, fully realize that in writing about

their countries' diplomacy they are addressing themselves to foreign
nations and are contributing just so much to the success or failure
of negotiations undertaken for the good of their countries. This
newness of the task in our country doubtless accounts for much un-
informed and ill considered comment. The Department of State is
always prepared to give to editors and journalists who desire to write
thoughtfully and conscientiously all the information necessary to make
intelligible the broad lines of the foreign policy of this Government.

It

remarks

It is only regrettable that more avail is not made of this means of avoiding conclusions published without knowledge of the principal premises. Of course such close touch with the moulders of public opinion is far more difficult here than in countries where the life of the nation is concentrated at the Capital.

In the United States, perhaps less than in any other country, is there reason why foreign policy should be a party issue. The aims and functions of our diplomacy are pre-eminently for the equal good of all parts of the country and of all sections of the public. Of course we have expansionists and anti-expansionists, progressives and reactionaries in their outlook upon America's destiny in the world. There are undeniably cases for honest difference of opinion. But diplomacy deals with facts, not theories, and a policy must be premised not upon an isolated and absolute philosophical theory disregarding the facts of recent history, but upon a syllogism in which the actual facts are the major premise and the disadvantages of some alternative course are a large factor.

Some of our newspapers, for party reasons, think fit to attack the foreign policy of your administration as systematically as they do any other of its processes. Such comment is almost negligible because its animus is universally recognized.

It is more interesting to seek to explain attack upon the foreign policy of the administration by newspapers which have not the excuse of simple party animus nor yet that of lack of facilities to get information explanatory of our foreign policy. In the course of their comments during the last half year there has been published misstatement, misunderstanding, or innuendo touching such matters as the Crane incident, the Hukuang loan, the so-called "Neutralization" proposal as to railroads in Manchuria, and the proposed loan touching Honduras. Such propaganda even cropped out upon one or two of these points in

remarks

remarks recently made by a Member of the House of Representatives. I have used the word "propaganda". I am told that there have been systematic propaganda. Ordinarily the Department of State is always obliged to submit silently to misrepresentation because to explain its position would often have a prejudicial effect upon some pending matter affecting the public interest. This consideration, as well as the dignity of the Administration, has made it seem best to ignore such attacks. I should like, however, to place before you categorically the actual facts of two or three matters which seem to be behind what is being said in some quarters.

A certain New Jersey corporation with a paid up capital of \$1,000.00 claimed "recognition" of some sort in regard to the Hukuang loan. One member of the corporation became very resentful because the Department was unable to see that he had an equity or to undertake to force his recognition by the group of American bankers who had come forward at the moment that the Department needed a most powerful instrumentality for the furtherance of an important phase of our Far Eastern Policy. This gentleman and one or two of his associates have been crying injustice and partiality.

The head of the International Banking Corporation, an institution which has had the honor to be a pioneer in the extension of American banking facilities in remote parts of the world and for which the Department of State has always had especial good will, owing to the beneficial effects upon American commerce which have been hoped for from the operations of this bank, recently published a statement, vague in character but containing sufficient insinuation to be seized upon by certain newspapers as a protest against an alleged tendency on the part of the State Department to partiality to one set of bankers as against another.

another. This statement made in connection with the Hukuang loan negotiation is particularly inexplicable in view of the fact that the files of the Department contain the written statement of the International Banking Corporation that they are satisfied, and that they withdraw their request for direct inclusion in the negotiations.

A certain New York banker also desired the Department to induce the group of bankers who had undertaken to join in the Hukuang loan to associate themselves with him. This could not have been done for the simple reason, as the banker in question well knows, that one of the bankers comprising the group believes that on a former occasion he dealt with him in a manner to justify an absolute unwillingness again to be associated with him in any undertaking. I attach hereto a plain statement of this matter.

The same banker desired at one time to undertake the Honduras debt-refunding. Since another syndicate first gained control of the foreign securities of Honduras this banker was automatically excluded from that business. It is said that he now cries injustice and partiality. An account of the business in question is attached hereto.

Mere foreign investment is not of interest to the Department, because in itself it may contribute little or nothing to American interest generally. There are cases, however, where political or commercial considerations make an American investment in the foreign field an indispensable instrument for advancing the national interest along certain lines. Such are the cases, as you know, in China and Honduras. Such will be the case if we undertake to assist Liberia. I should like to see our financial instrumentalities for this work present a single front, like a wedge, in the foreign field and be as wide open as possible at the home end. One would expect to find among our bankers and business men a degree of patriotism, of mutual consideration, and

of skilful combination, which would enable them to cooperate abroad instead of allowing the play of petty jealousies to destroy their effectiveness in foreign enterprise.

In the present situation it seems that if the Department of State, for broad political or commercial reasons, seeks a financial instrumentality to promote some phase of our foreign policy, the result is that the syndicate which undertakes the work feels that it is, for reasons of patriotism, doing a thankless and relatively unprofitable task, while other individuals or syndicates, whether or not they would have the power to do it themselves, raise the cry of favoritism, as if the Government were giving a gold mine to the syndicate concerned merely from an amiable desire to enrich it.

The attempt to draw the Department of State into these rivalries is out of place. This Department's sole interest is diplomatic, and it can hardly undertake to divert its attention from its real functions to an effort to arbitrate contentions between bankers or to measure the worthiness of different syndicates and companies. Questions of solvency and responsibility frequently come up when diplomatic support is asked by this or that organization. These are purely domestic questions, and I wish to venture the suggestion that the Department of Commerce and Labor, in whose field is the domestic end of the subject of commerce, and which is thus brought in close touch with the business world, might better undertake the preliminary consideration of all foreign business enterprises, leaving it to the Department of State to take them up at the stage when the assistance of the foreign service might properly be recommended.